

CU Newsline

Long Beach City Employees Federal Credit Union

2nd Quarter, 2009

www.lbcefcu.org



Since 1936

LONG BEACH CITY
EMPLOYEES FEDERAL
CREDIT UNION

2801 & 2845
Temple Avenue
Signal Hill, CA 90755

Office Hours

Monday:
10:00 a.m. – 6:00 p.m.
Tuesday – Friday:
8:30 a.m. – 4:30 p.m.
Closed Sat. Sun. & Holidays

Telephone Numbers

(562) 595-4725
(800) 595-4725 (Calif. Only)

Touch Tone Teller
(562) 426-1092

Board of Directors

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Chairman/President
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Mortgage Re-Financing

The Basics:

Before you make a commitment to refinance your mortgage, it's important to do your homework and determine whether such a move is the right one for you. Refinancing to reduce debt can be a smart move, but refinancing in order to borrow more for consumer purchases (car, vacation, etc.) could set you back significantly. Don't make the mistake of choosing a mortgage based on its stated annual percentage rate (APR), because there are a variety of other variables to consider, such as:

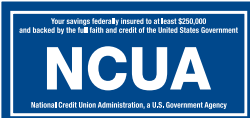
1. **Points / Fees** - If your credit rating (*FICO score*) is less than perfect, these up front costs to obtain a loan could be substantial.
2. **Term of Mortgage** - The length of time it will take to pay off the loan's principal and interest. Short Term mortgages typically offer lower interest rates than Long Term mortgages, but they usually require a higher monthly payment, and they result in significantly reduced interest cost over time.
3. **Variability of the interest rates** - There are two basic types of mortgages: those with fixed interest rates and those with variable rates, which can change after a predetermined amount of time has passed. While an adjustable rate mortgage (ARM) usually offers a lower introductory rate than a fixed rate mortgage with a comparable term, the ARM rate could jump in the future should interest rates rise. If you plan to stay in your home for a long period, it may make sense to choose the security of a fixed rate, where as an ARM might make sense if you plan on selling your home before the interest rate is allowed to adjust upward. Make sure you know whether you have a fixed or a variable interest rate and what the terms and conditions are.
4. **Prepayment Penalties** - Read the fine print in your loan contract, to see if you will be assessed penalties or fees for getting out of the loan early.
5. **To Re-Finance or Not?** - What really matters is how long it will take you to break even and whether you plan to stay in your home that long. In other words, make sure you understand the amount of time it will take for your over all savings to compensate for the cost of the refinancing.

Keep in mind that while today's interest rates are hovering around historical lows, they are being manipulated by Federal Government actions, and are more likely to increase than decrease over time.

PRODUCTS and SERVICES

- Regular Share (Savings) Accounts
- Share Draft (Checking) Accounts:
 1. Personal Checks
 2. Business Checks
 3. Custom Checks
- Share Insurance Up to \$300,000, per account.
 1. Primary – NCUA
 2. Secondary – ASI
- Loans - Competitive Rates
- Money Orders
- Cashier Checks
- 7 DAY-24 HOUR Account Access:
 1. Touch Tone Telephone
 2. Web site – (Secured)
- www.lbcefcu.org
 - A. PC Home Banking
 - B. Bill Payer Service
 - C. Annual Reports
- 3. ATM/POS/Debit Card
- Credit Cards - VISA (Premier, Gold, Platinum)
- Automatic Payroll Deduction (APD)
- Direct Deposit Service (DDS)
- Electronic Fund Transfers (EFT)
- Automated Clearing House (ACH)
- Wire Transfers
- California Toll Free 800 Number
- Notary Service - Free
- Financial Counseling
- Consumer Information
- CUNA Mutual
 1. Insurance Products
 2. Brokerage Services

Friendly, Efficient Service



Dividend Rates For Period (July 1, 2009 – September 30, 2009)

Regular Share Account:

Account Balance Ranges	Dividend Rates*	Annual Percentage Yields (APY)**
\$ 0 - \$ 50.00	NONE	N/A
50.01 - 2,500.00	1.50%	1.51%
2,500.01 - 10,000.00	1.75%	1.76%
10,000.01 - 25,000.00	2.00%	2.02%
25,000.01 - 50,000.00	2.25%	2.27%
50,000.01 - 100,000.00	2.50%	2.52%
100,000.01 - and up	2.75%	2.78%

Share Draft Account:

Account Balance Ranges	Dividend Rates*	Annual Percentage Yields (APY)**
\$ 0 - \$ 50.00	NONE	N/A
50.01 - 2,500.00	1.00%	1.00%
2,500.01 - 10,000.00	1.25%	1.25%
10,000.01 - and up	1.50%	1.51%

* Dividend Rates are established by the Board of Directors and are subject to periodic change, normally each quarter, based on current economic conditions and credit union earnings.

** (APY) – Annual Percentage Yield assumes reinvestment of principal and dividends on a quarterly basis for one year at the stated dividend rate. Dividends are calculated and paid at the end of each quarter on all accounts with a balance in excess of the \$50.00 full share amount, utilizing the ACTUAL DAILY BALANCE, and a 365 DAY YEAR, (366 days in a leap year). The credit union calculates dividends on the full balance in the account each day at the stated dividend rate that corresponds to the applicable share balance range.

(APYE) - Annual Percentage Yield Earned is calculated at the end of each Quarter (Dividend Period), utilizing the AVERAGE DAILY BALANCE, and a 365 DAY YEAR, (366 days in a leap year). The (APYE) is printed on your Quarterly Statement as a percentage, and may differ from the (APY).

Funds earn dividends from the day of deposit until day of withdrawal. An account closed during the quarter will earn no dividend for the quarter.

If you have any questions or need any additional information, please contact the credit union office.

Loan Rates For Period (July 1, 2009 – September 30, 2009)

Loan Type	Loan Rate	Loan Type	Loan Rate
Share Secured	4.50%-APR*	Used Watercraft & Trailer**	6.50%-APR*
Character/Unsecured	10.50%-APR*	Motorcycle**	6.00%-APR*
New Automobile/Truck		Stocks and Bonds	5.00%-APR*
1. Less than 20% Down**	5.50%-APR*	Residential – Home Loans:	
2. 20% or More Down**	5.00%-APR*	1. First Trust Deed:	
Used Automobile/Truck		A. 1-20 yr. Maturity	5.00%-APR*
1. Less than 3 Years Old		B. 21-40 yr. Maturity	5.50%-APR*
Up To 100% Financing**	6.00%-APR*	C. Jumbo Loan (limited time)	6.50%-APR*
2. More than 3 Years Old		2. Second Trust Deed	7.50%-APR*
Up to 90% Financing**	6.50%-APR*		
New Recreational Vehicle**	5.75%-APR*		
Used Recreational Vehicle**	6.75%-APR*		
New Watercraft & Trailer			
1. Less than 20% Down**	5.50%-APR*		
2. 20% or more Down**	5.00%-APR*		

* Annual Percentage Rate (APR)
** Excludes cost for tax and license

The maximum Loan Rate the Credit Union can charge by law is 18%.

There are no Points charged on our Real Estate Loans, and no Prepayment Penalties on any Credit Union Loan.

All Loan interest is calculated utilizing the "Simple Interest" Method, which is the least expensive way to borrow.

The credit union provides financing for the purchase of vehicles, boats, and motorcycles.

We do not re-finance existing loans of this type.

We do business in accordance with the Federal Equal Credit Opportunity Act, but it is the Board of Director's policy to refuse credit to any credit union member who has caused the credit union a loss, regardless of whether or not that loss was the result of a bankruptcy proceeding.